

APS / Rates - Permanent
E-01345A-08-0172

8/3/2009
SOM Flagstaff Public Comment



1 BEFORE THE ARIZONA CORPORATIC.
2 IN THE MATTER OF THE)
3 APPLICATION OF ARIZONA PUBLIC)
4 SERVICE COMPANY FOR A HEARING) DOCKET NO. E-01345A-08-0172
5 TO DETERMINE THE FAIR VALUE)
6 OF THE UTILITY PROPERTY OF)
7 THE COMPANY FOR RATEMAKING)
8 PURPOSES, TO FIX A JUST AND) SPECIAL OPEN MEETING
9 REASONABLE RATE OF RETURN)
10 THEREON, AND TO APPROVE RATE) PUBLIC COMMENT
11 SCHEDULES DESIGNED TO DEVELOP)
12 SUCH RETURN.)
13)
14)

15 At: Flagstaff, Arizona
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Arizona Corporation Commission

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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly, to be heard before the
3 Arizona Corporation Commission at County Board of
4 Supervisors Conference Room, Administrative Center,
5 219 East Cherry, Flagstaff, Arizona, commencing at
6 6:00 p.m., on the 3rd day of August, 2009.

7

8 BEFORE:

9 KRISTIN K. MAYES, Chairman
10 GARY PIERCE, Commissioner
11 SANDRA D. KENNEDY, Commissioner
12 BOB STUMP, Commissioner

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KATHERINE A. McNALLY
Reporter

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1 (Proceedings commenced at 6:00 p.m.)

2 CHMN. MAYES: Okay. Let's get going.

3 Folks, if we could go ahead and get started.

4 I'm Kris Mayes. I'm the chairman of the

5 Arizona Corporation Commission. Welcome.

6 If you haven't filled out a public comment
7 slip, please do.

8 Has everybody that wants to speak filled out a
9 public comment slip? No? Yes? Okay. Great.

10 Well, welcome to the public comments.

11 Commissioner Pierce, would you like to make
12 a --

13 COM. PIERCE: Sure. You know, it's -- it's
14 great to be here when it's so hot down in Phoenix. But as
15 I was pointing out to a few people, actually Matt Ryan is
16 my supervisor on my -- my second home, which is -- is in
17 Forest Lakes, which is barely in Coconino County. And --
18 and in my iPhone, I keep track of the weather there. And
19 my -- and my iPhone says it's going to rain every day, and
20 usually in the early afternoon. And -- and so it's --
21 it's great weather. I get a -- we got a little bit of
22 rain, coming up.

23 So it's good to be here at this time, when
24 your -- when your, hopefully, your bills with your utility
25 aren't so high, we're feeling it immensely down in

1 Maricopa. So enjoy this. I know it's going to transcend
2 into different weather here in a few months.

3 But it is truly a pleasure to represent you
4 here at the Arizona Corporation Commission.

5 We've been seeing a lot of rate cases. Rate
6 cases don't seem to stop just because the economy gets
7 soft. Because what happened is the utilities, because of
8 those periods of growth, invested in a lot of
9 infrastructure which now they look to get into a rate
10 case, and those things have nothing to do with the
11 economy. They have everything to do with what growth was
12 doing at the time and what they were building for and what
13 the -- what the Commission had expected them to build
14 for. Because, obviously, we didn't want to have
15 brown-outs or blackouts in the electricity or other
16 problems with water utilities, with natural gas utilities,
17 et cetera. So that's been something we've had to deal
18 with because we are seeing a lot of rate cases during this
19 down economic -- these down economical times and that.

20 But I wanted you to be aware that we're
21 sensitive to that, I think. And we're trying to make sure
22 the utilities are sensitive to that, even though they may
23 have a right to get these infrastructure projects into
24 rate cases.

25 Thank you.

1 CHMN. MAYES: Thank you, Commissioner Pierce.
2 Commissioner Stump, did you have a comment to
3 make?

4 COM. STUMP: Yes. Thanks, Madame Chair.

5 I would just echo what Commissioner Pierce
6 said. You know, I think in these difficult economic
7 times, it's more important than ever that we get out of
8 the office, hit the road, and listen to your concerns. As
9 many of you know, because we sit as judges we're not
10 really allowed to offer our opinions tonight about the two
11 matters before us, but in any event we are here to listen
12 this evening, first and foremost. And I know I speak for
13 my colleagues when I say we take what you say very
14 seriously.

15 And it's really a pleasure to be up here, not
16 only due to the heat, but I was able to kill two birds
17 with one stone and visit my -- my mother in Show Low on
18 the way up and overeat for the past two days.

19 So I'm -- I'm delighted to be here, and very
20 well fed, so --

21 CHMN. MAYES: Thank you, Commissioner Stump.

22 And Commissioner Kennedy is here as well,
23 Sandra Kennedy.

24 COM. KENNEDY: Thank you. Thank you, Madame
25 Chairman.

1 Please excuse my tardiness. It's not that I
2 was lost. I've been here plenty of times, but I had
3 another meeting and thought we had enough time to get
4 here.

5 But it is indeed a pleasure to be here with
6 each and every one of you this evening. And thank you so
7 much for giving us your time to come out and express your
8 feelings about the rate case. I will listen very
9 attentively. And again, thank you.

10 CHMN. MAYES: Thank you.

11 And I would agree with the comments of my
12 colleagues.

13 You know, there's never been a time or a case
14 that calls out for more scrutiny than the ones we are here
15 to hear from you about. And I can promise you this, the
16 Commissioners will turn over every stone and look at every
17 issue in this case, as we decide whether to approve the
18 rate increase request that we have in front of us.

19 And we do know that APS's rate increase request
20 comes at the worst possible time for consumers. It's
21 difficult out there, and we have to be extremely sensitive
22 to that fact.

23 And there are a number -- as most of you know,
24 there are a number of very big issues in this case having
25 to do with not just rate increases but also energy

1 efficiency and renewable energy, and where we go as a
2 state in terms of our energy future. So we'll be looking
3 at those issues very closely.

4 I want to probably just let people know also
5 that the commissioners will all be attending the hearings
6 in this case. And the hearings will occur in August --
7 which you are all welcome to come down and attend, if you
8 really want to come to Phoenix in August, but -- but
9 you're very welcome to come.

10 You can also listen to the hearings in both
11 Unisource and the APS case, online. So if you want to
12 stay out of the heat, that's no problem.

13 And the commissioners attend those hearings.
14 We are -- the hearings are overseen by Administrative Law
15 Judges, but we often go to the hearings. Some of us write
16 letters into the docket with questions.

17 I've written two -- well, as of tomorrow, I
18 will have written two letters in the APS case. And we ask
19 a lot of questions of the parties who are put under oath,
20 and they testify just like they would in a -- in a regular
21 court case. So it's very much like a trial, and these
22 cases are put on with evidence.

23 Real quickly, I want everybody to know that, as
24 I've said, I'll be asking a lot of questions. As I did in
25 the last APS rate case, I will be asking questions about

1 what APS is doing to tighten its own belt at this time
2 when it's asking its ratepayers to pay more. I'll be
3 asking how this proposed rate increase will impact
4 Arizonans in this difficult economy. I'll be asking what
5 measures APS will adopt for its customers to help them
6 shield themselves from these rate increases, including
7 energy efficiency measures. And I'll be asking about
8 whether we ought to be doing more to create a -- a more
9 sustainable energy future for our state.

10 So it's going to be a -- a very lengthy
11 hearing, and hopefully it will produce a lot of good
12 information, both for the commissioners and for you.

13 What I'll do is I'll start with -- I've got
14 public comment slips for both APS and UNS Gas. What I'll
15 do is I'm going to start with APS, if it's okay with my
16 colleagues, then go to Unisource. But if you want to
17 speak to both cases that's fine too. Just let me -- just
18 speak on both cases while you're up at the podium. No
19 problem.

20 And then for the court reporter -- we have a
21 court reporter here transcribing every word that is said
22 for -- for all of us as a record in the case, but also for
23 our one commissioner who is not here today, Commissioner
24 Newman, who had to be away at a training session. So if
25 you could speak slowly, so she can get down every word.

1 And that would be helpful.

2 COM. PIERCE: Madam Chairman, can I --

3 CHMN. MAYES: We'll start -- yes, Commissioner
4 Pierce?

5 COM. PIERCE: And one other thing, I wanted to
6 make sure, because I see the Residential Utility Consumer
7 Office who represents residents -- is charged by the State
8 to represent folks who are residential users, they're -- a
9 member of their office is right there in the front row --
10 he can raise his hand -- and so he's taking notes here.

11 And they actually intervene on behalf of all
12 residential users because often residential users don't
13 have the high-priced attorneys that other intervenors
14 might have. And so they have a fleet of attorneys and
15 accountants and auditors that do -- that look at these
16 cases, and they're here.

17 And I think, Chairman, I don't know -- I don't
18 know how many we have.

19 Typically, we like to have you try to wrap
20 things up in three minutes, but I don't know -- we have so
21 many -- many that you can't take a little bit longer. But
22 if you'd just be cognizant of everyone around you.

23 And if you decide you want to speak during
24 this -- all of a sudden you go, Oh, I want to speak, just
25 go fill out the little form. They'll pass it to us and

1 you'll be able to speak. Thank you.

2 CHMN. MAYES: Yeah. I think we'll go a little
3 longer than three minutes. We have plenty of time. We'll
4 start with APS.

5 Actually, I wanted to first call up Supervisor
6 Carl Taylor, who is here. Thank you, very much,
7 Supervisor, for being here.

8 And if there are any other elected officials in
9 the room, I apologize. I don't see you, but if you're
10 here, raise your hand.

11 Supervisor?

12 SUPERVISOR TAYLOR: Well, I won't use my three
13 minutes.

14 But I wanted to welcome you. I'm very happy to
15 see you here. And I'm very grateful for your service.
16 This is very important work you do.

17 We're also pleased to offer you cool weather,
18 and hopefully a little rain, although we're behind
19 normal.

20 I did want to say that in this region we're
21 very interested in sustainability and renewable energy.
22 We're struggling mightily to get renewable energy
23 projects, and we realize that there are important economic
24 considerations. And when you're starting an industry it's
25 really difficult to compete with cheaper sources of energy

1 from somewhere else.

2 But anything you can do, both to increase the
3 expectations of renewable energy, as well as putting into
4 place issues such as community impact and economic
5 development impact that should be taken into account as
6 well as the bottom line, we very much appreciate.

7 I also wanted to acknowledge that both with APS
8 and with Unisource, they are important community leaders
9 here. I have no comments to make on the rate cases. But
10 I will say that they've been very good to work with. They
11 provide important leadership, and they've been very
12 willing to try to work with us on finding ways to be
13 creative, so I wanted to acknowledge that.

14 But anyway, thank you, very much, and I
15 appreciate the opportunity to speak here.

16 CHMN. MAYES: Thank you. And Supervisor
17 Taylor, could you just for maybe the benefit of my
18 colleagues, briefly describe your sustainability efforts
19 and the efforts you've made to try to put together a
20 consortium that would buy renewable energy.

21 SUPERVISOR TAYLOR: I can. We have an
22 organization in the region called Sustainable Economic
23 Development Initiative. And that is a collaboration of
24 the county, most of the cities in the region, green
25 businesses, the educational entities.

1 We're quite active in a number of areas. And
2 we have a number of projects we're working on, that if we
3 pulled them off I think would be transformative -- one of
4 which, today, I was telling Commissioner Mayes that some
5 of us were in Prescott. We aspire to a regional workforce
6 training center, with the emphasis on green jobs.

7 But we also have a number of other initiatives
8 we've worked on, including an organization called NAREG,
9 Northern Arizona Renewable Energy Group, which is a
10 consortium of the larger energy purchasers in the area who
11 have agreed, collectively, to try to work with the power
12 company to put their purchasing to -- to deliberately, by
13 policy, buy power at a higher rate, in order to encourage
14 the development of renewable energy sources.

15 We also have been very interested in -- this
16 year, unfortunately, we're not successful -- in looking
17 into the idea of special renewable energy districts. And
18 we think that there are real opportunities there for
19 neighborhoods to organize themselves in a way, not to
20 create mini-utilities but to -- through the county or
21 municipalities, to find ways to provide easy financing,
22 over the long term, to move in the direction of
23 renewables.

24 We have lots of ideas. I'd love to go on and
25 on about them, but I do appreciate the question.

1 CHMN. MAYES: Thank you, sir. And I appreciate
2 Coconino County's leadership in the area of renewable
3 energy. And I think you stand as a model for other
4 counties and what you can do, on your own volition, to
5 encourage the development of renewable energy.

6 SUPERVISOR TAYLOR: Thank you, very much.

7 CHMN. MAYES: Okay. Stephen, is it Knutson?

8 MR. KNUTSON: Yes.

9 CHMN. MAYES: Okay. Come on forward.

10 And after Stephen, on deck, we'll have Dusty
11 Parsons, representing Navajo County.

12 MR. KNUTSON: Hello.

13 CHMN. MAYES: Hi.

14 MR. KNUTSON: My name is Stephen Knutson. I
15 live at 2918 North Tindle Boulevard. I've lived in
16 Flagstaff now for 39 years.

17 I have a little difficulty with APS. And I'll
18 tell you how I got it.

19 About ten years ago, they had a program called
20 "Solar Partners," in which the ratepayer paid extra on
21 their bill so that we could support renewable energy and
22 solar energy and so on. And after being in that program
23 about two years, I met an employee of APS, and he said,
24 "Why, you're a fool," to me.

25 And the reason I was a fool is that the

1 government had mandated that APS get a certain amount of
2 their energy from renewable sources. When they got that
3 amount, they didn't add any to it, even though Solar
4 Partners had paid for it. And I thought that showed
5 terrible acting on the part of APS.

6 Now, I know APS is very invested in coal and so
7 on and dirty fuels. No matter what happens, our energy is
8 going to become more expensive, no matter what. The
9 question is whether or not we're going to make clean
10 energy or not. And so far, APS has not shown the
11 commitment that is necessary to really turn this around.
12 And until they do, I don't think they should be rewarded
13 in any way.

14 That a rate increase should be tied to -- to
15 APS committing to making at least half of their energy
16 from clean resources by 2020 -- soon, at once, an
17 honest-to-goodness change of course. Thank you.

18 CHMN. MAYES: Thank you, Mr. Knutson.

19 And I certainly appreciate the direction of
20 your comments, and wanted -- both of the letters that I've
21 written have raised similar issues about whether we ought
22 to be asking APS to do more with renewable energy than
23 they are. So you can access my letters on my web site, if
24 you'd like. But I appreciate your comments.

25 Okay. Dusty Parsons?

1 MR. PARSONS: Madam Chairman, Members of the
2 Commission, my name is Dusty Parsons. I'm the assistant
3 county manager Navajo County, home of the newest and only
4 wind farm in the state. So we're proud of that.

5 CHMN. MAYES: Unfortunately, it's an SRP wind
6 farm, unfortunately for us, right?

7 MR. PARSONS: That's true.

8 CHMN. MAYES: Okay. I know, I know.

9 MR. PARSONS: We hope to build more.

10 CHMN. MAYES: Yeah. Exactly. Okay.

11 MR. PARSONS: Madame Chairman, Members of the
12 Commission, the Board of Supervisors requested that I read
13 a letter into the record. It should only take a short
14 time.

15 It's addressed to "The Honorable Kristin K.
16 Mayes," and "Re: Extension Policy -- the 100 (sic) foot
17 free-line extension."

18 "Dear Commissioners,

19 "On behalf of the residents of Navajo
20 County, we respectfully ask that you
21 reconsider the previously-adopted APS
22 extension policy and reinstate the 1000 ...
23 free line extension.

24 "These actions have had a chilling
25 effect on those contemplating new

1 construction on Navajo County. Unlike the
2 state's more developed urban areas, Navajo
3 County is largely rural and undeveloped,
4 making the repeal of the free extension an
5 enormous hardship for Navajo County
6 residents and developers.

7 "The economic downturn and crash of
8 the state's housing market has all but
9 stopped new construction in the County and
10 placed an unprecedented hardship on County
11 businesses, homeowners, and the County
12 government itself.

13 "We feel that it is in the best
14 interest of the state to make new
15 development as inexpensive and convenient
16 as possible to facilitate a recovery of our
17 economy and housing market. Reinstating
18 the 1000ft. free line extension would be a
19 helpful and productive first step.

20 "Respectfully submitted,

21 "Jerry Brownlow, Chairman, Board of
22 Supervisors."

23 CHMN. MAYES: Thank you, Mr. Parsons.

24 And is that the letter that the supervisors
25 already sent us or is that a new letter? And if it's a

1 new -- do you know the date on it? If it's a new one --

2 MR. PARSONS: July 14th.

3 CHMN. MAYES: Okay. So we probably -- we
4 probably --

5 MR. PARSONS: I just was reading this letter
6 for the record.

7 CHMN. MAYES: Great. Okay. And I think we
8 already have it docketed, but I appreciate it. And then
9 please tell the supervisors we said hello.

10 MR. PARSONS: I will. Thank you.

11 CHMN. MAYES: Thank you. And then we have Mike
12 Wyllie, and then on deck, Joel Lawson.

13 MR. MIKE WYLLIE: First of all, commissioners,
14 thanks for hearing me today.

15 I just wanted to come up for one second. I've
16 been involved in this rate case, in what's going on, and
17 paid attention to all the different people wanting
18 renewable energies, and they want this.

19 I believe in renewable energies. I actually
20 funded my friend and I to build a windmill to run our
21 house on in Phoenix. But what I want you to understand is
22 there has to be a bridge.

23 And I'm going to go straight over to low-cost
24 housing. If you look at what -- what APS is charging to
25 hook up houses, I have people -- and if you have power on

1 your property line and you want to put a manufactured home
2 on them, a recycled home, we get estimates from 7- to
3 \$10,000, which has been free or no cost since 1954, prior
4 to July of 2007.

5 From what I understand, the reason that the
6 former corporation commission did this was to keep -- to
7 keep the rates down. But if you look at the facts, you
8 look at construction, you look at the industry, you look
9 at the -- how land is going down in value -- the Arizona
10 Association of Realtors is coming on board and everybody's
11 starting to look at this issue, and it's become a very big
12 issue.

13 Currently, today, I'll just say this -- with
14 the low-cost housing, I had people in Chicago, who had the
15 lady is sitting there and she wants to build -- her dad is
16 basically crippled and he wants to live out his dying
17 days.

18 And they saved their money to pay for their
19 septic system. They went to APS, and it was a thousand
20 feet no-cost extension. They saved their money for two to
21 three years, and they finally saved up their 5- to \$6,000
22 for their septic system. Then they wanted to go -- to get
23 their power hooked up, and APS said, It's 7,000.
24 There's -- that's no longer the policy.

25 It's just devastated people, across the board.

1 And you can look at this in so many different instances.
2 And another thing that -- another thing I don't understand
3 is, How can the Native American reservations be excepted?
4 Why is a lady in Ajo -- we -- we've done the figures,
5 we've looked at -- we've looked at the figures of
6 different counties, and -- and the poor and where they're
7 at. And if you look at -- compare the figures, for me,
8 it's not all adding up. And I just want -- I implore you
9 just to look at it from even the low-cost housing aspect
10 of it, from the construction aspect of it.

11 And -- and I thank you for your time.

12 CHMN. MAYES: Thank you, Mr. Wyllie.

13 Joel Lawson. And then after Joel, Todd Wyllie.

14 MR. LAWSON: Madam Chairman and Commissioners,
15 I appreciate you letting me speak today.

16 My name is Joel Lawson. I am the president
17 elect for the White Mountain Association of Realtors, and
18 I'm also the vice chair for the Planning and Zoning
19 Commission in Navajo County.

20 You'll have to excuse me. Somebody told me two
21 minutes, so I spent most of my afternoon trying to trim my
22 comments to two minutes. So now I'm going to try to
23 get --

24 CHMN. MAYES: You did the long version.

25 MR. LAWSON: Now figure out how to work some of

1 the things back in that I cut out. But I know that you're
2 going to hear a lot today about -- and I'm here to speak
3 in favor of restoring the 1000-foot free extension.

4 I'm also a real estate broker. I own Integrity
5 Realty, in Snowflake, Arizona. I sell land where there
6 are lots and lots of 40-acre parcels. They're big pieces
7 of property. However, you could probably buy two for what
8 you could get a piece of property in Mesa for.

9 And people, like myself -- I bought 11 acres;
10 moved there, assuming that one day -- it's in one-acre
11 zoning, I did my research, I knew what was going on, long
12 before I ever got into real estate. I was just a truck
13 driver. And I thought, well, one of these days, I'll be
14 able to split this property up and give my children a
15 place to build their -- their home, and maybe they could
16 get a start on life without having to maybe run a credit
17 card debt or things of that sort.

18 And then -- I had power, so I'm not
19 complaining, because mine's 6- or 700 feet away, although
20 it would cost me quite a bit of money now, as when it
21 would have been free in the past. But there are people
22 who have, say, 10 acres, 660 feet, and they're -- they
23 want to give some to their children, and now it's going to
24 cost them a lot of money, where it would have been free in
25 the past.

1 As a real estate broker, I've taken people and
2 showed them property for the last 12 years, and been able
3 to say that, Well, the power line's right there. It's
4 within a thousand feet. You should be able to get the
5 extension. I got this information from Arizona Public
6 Service.

7 So there are still people out there that one
8 day intended to retire, invested in buying property. And
9 now, at this point, it's going to cost them sometimes as
10 much as 15- or \$20,000 to get the power brought to their
11 place.

12 Now, I know that it is running down the value
13 of the properties that now can't get power. The average
14 cost that I get from the solar person -- and most people
15 would like to go to solar nowadays, and not have the
16 bill. But the average cost, I think conservatively is
17 \$25,000 to live anywhere close to what you would on the
18 grid.

19 So if you add that to the price of a \$20,000
20 piece of property, and then try to build a home, you can
21 see how that affects people.

22 Now, I did want to address one of the things --
23 and the buzzword that I heard when this was all going on
24 was we need to let growth pay for itself. Well, my family
25 moved from Kansas to Phoenix. We moved onto a grid that

1 the people previous to us had paid for. Anybody that
2 grows up and buys a home or gets an apartment where
3 they're going onto the utilities, they're going onto a
4 grid that was paid for by previous people.

5 So I don't like that argument. I think it's
6 kind of unfair to say, We've got what we want. Now the
7 rest of you, you can go get it on your own. Because I
8 think the business model is that you go out, you give the
9 line extension, and then you charge a power bill every
10 month. Sometimes I think you could probably find cases
11 where a certain hookup is paid for over 100 years. And
12 then you get your money back. And it's kind of a
13 risk/reward type of thing.

14 The idea that we just shut people down and
15 don't try to provide for others to me is not right.

16 Now, the other thing is, in our area, with the
17 40-acre parcels, if you can imagine a checkerboard, there
18 are state sections scattered out through here. Well, some
19 people are on the other side of the state section, so the
20 thousand foot doesn't even help them. But it does help
21 what you guys would probably like, and that's in-fill,
22 because then the property that's going to be within the
23 thousand feet is going to fill up before you put a -- if
24 you can't get power on one side and you can't get power on
25 the other, you might be just as likely to go a mile down

1 the road and get a different piece of property.

2 So the other thing that I did want to tell you
3 is that I watched this happen. First it was a thousand
4 foot for free, and then it was 500 -- \$5,000 toward
5 construction. And at that point, I believe that it was
6 implemented in my town before it was actually finally
7 voted on by this Commission, by several months.

8 And when that happened, it -- it was very
9 discouraging, because not only were we confused and having
10 a hard time properly guiding our clients, but we were told
11 that we would -- I should say I've had clients return to
12 me and say I went to APS, and they told me I had to put up
13 \$500 nonrefundable in order to find out what the cost
14 would be to have power to our property.

15 Now, APS also can choose to come in from the
16 left or the right or the north or the south, and it may
17 not always be the closest way, but it's the way they want
18 to come in. And I'm not positive about this, but I
19 believe that the only one who you can have do the
20 construction is APS.

21 So if they're able to charge for construction,
22 I can't go out and bid it out to -- to the lowest bidder,
23 and get the power brought in for a more reasonable price.

24 So I appreciate your time. And I'm sure
25 there'll be plenty of people who will fill in the blanks.

1 Thank you.

2 CHMN. MAYES: Thank you, very much,
3 Mr. Lawson. I appreciate your comments and you're very
4 eloquent in presenting that view.

5 And as you know, I was one of the commissioners
6 who voted to eliminate the 1000 free feet, and you know, I
7 still believe -- although I'm willing to look at this
8 issue again with fresh eyes -- but I believe that it was
9 in the public interest at the time.

10 And just by way of explanation, you know, I do
11 believe that growth needs to pay for itself to a greater
12 degree than it is today. And you know, I was sick and
13 tired, as a commissioner, of having to raise people's
14 rates because of the booming economy that we had in this
15 state, and because of the fact that many of these rate
16 increases that this company -- and a lot of their
17 representatives are sitting here in the room in the
18 back -- came before us with. The reasons they put forward
19 were, Well, we're having to pay for that is all of this
20 infrastructure. So that's what guided the previous
21 commission, as we made that decision.

22 And I understand that it's caused some pain for
23 some folks, but -- and we are going to take a look at it
24 in the case.

25 MR. LAWSON: Could I make one more small point?

1 CHMN. MAYES: Sure, if you'd come back to the
2 podium, so our court reporter can get all of it.

3 MR. LAWSON: Well, the other thing I meant to
4 bring up was that your power bill is the same as my power
5 bill, if I pay for an extension.

6 If you moved in when the power was already
7 there, you're not paying extra to help pay back to what
8 was there when you got there. But we have to pay for the
9 extension and pay the same bill every month that you do.
10 So I think that really the -- I don't think it's a
11 not-for-profit company, so there's got to be some risk for
12 the reward. And I think the idea is to put out the
13 extension and then you get it back, over time, with your
14 billing.

15 CHMN. MAYES: Well, let me ask you one --

16 COM. PIERCE: That will be part of the rate
17 case.

18 CHMN. MAYES: Yeah. This will be part of the
19 case, and there's an intervenor in the case who is dealing
20 with the issue.

21 But let me ask you this, as a public commentator,
22 Do you think there's any limit to which we should not
23 allow -- do you think there's no limit? In other words
24 that, you know, if I decided to build a house on top of
25 the San Francisco Peaks, I -- do you think I should expect

1 to have the ratepayers subsidize to get that line all the
2 way up there?

3 MR. LAWSON: Well, I think you might be able
4 to --

5 CHMN. MAYES: Or a thousand feet of it.

6 MR. LAWSON: You might be able to expect them
7 to go a thousand feet closer if it would get it there.
8 But the way it had been in the past was that you got a
9 thousand foot for free, and it was 5, 7, and 9 dollars a
10 foot as the rest per foot after that. And then after
11 2,000 foot, then all bets were off, and you had to pay
12 construction costs. I thought that was relatively fair.

13 But yeah, I do believe that they have
14 restrictions. If you don't have a well, if you don't have
15 a septic tank, if they don't have a reasonable belief that
16 you're going to occupy that property and pay a bill so
17 that they can recoup their investment, they won't bring it
18 to you. So I think they put some --

19 That's what they've told me. And I've talked
20 to a number of them, as they've filtered through. And
21 it's always been that you have to have a septic tank, you
22 have to have a well, and then they'll bring power. And on
23 top of that, they have to enforce code with the County,
24 because you're not going to get your power unless the
25 County is going to agree to that.

1 CHMN. MAYES: Again, I do appreciate your
2 comments. And your question about the bidding of the
3 construction is a very good one. And I will ask that in
4 the case.

5 COM. PIERCE: Madame Chair, if I could, I want
6 to make it clear.

7 I don't know -- Mr. Wyllie, are you an
8 intervenor in the case?

9 MR. TODD WYLLIE: No, I'm not.

10 COM. PIERCE: Okay. You know what, is there
11 any other -- if you're an intervenor in the case and you
12 sign up to speak, actually, this is not your -- you're
13 going to speak at the case in Phoenix. And so if you're
14 an intervenor in the case, you need to wait until then,
15 because you're having unfair advantage over other
16 intervenors and whoever -- all the other people that are
17 involved in this case. So thank you.

18 CHMN. MAYES: Your mother is an intervenor,
19 though?

20 MR. TODD WYLLIE: Yeah, my -- yes.

21 CHMN. MAYES: Okay. I'm going to allow you to
22 speak --

23 MR. TODD WYLLIE: Okay.

24 CHMN. MAYES: -- but it's a stretch.

25 MR. TODD WYLLIE: I didn't want to prep for

1 anything.

2 CHMN. MAYES: Okay.

3 MR. TODD WYLLIE: I just want to say that he
4 did a very good job of explaining --

5 CHMN. MAYES: He did.

6 MR. TODD WYLLIE: -- the situation that's kind
7 of across the state.

8 The big concern really is that it's -- it's
9 affected all the properties across the board. It isn't
10 that people were going to go out and move on there with
11 their trailer and say, "Give me my power, I'm ready for my
12 thousand feet."

13 These people had to get their permits in place,
14 get their septic ready, everything had to be in place,
15 and it had to be an established permanent residence.

16 And what we've done by taking away the thou --
17 three thousand feet is it took it away from all the
18 properties across the state. They're not going to go out
19 and build on the properties. And I saw some statistics
20 that there was 600 rates -- 600 extensions last year for
21 APS under the thousand feet for free. The previous year
22 was 1,500, and larger before that, and during some
23 unprecedented growth.

24 It's just affecting property values across the
25 board. And if -- if there was 200 people that were able

1 to go out and do this, this year, if it was reinstated, it
2 would be very good for the economy. Any -- any growth
3 that we can get going right now is -- is very important.

4 And it seems to me that it's going to be the
5 little builders -- the small guy, the do-it-yourselfers,
6 and the small contractors -- that are going to go out
7 there and -- and help keep things moving a little bit
8 right now. It isn't going to really be the big
9 developments at this point. I hope to see them get back
10 in there.

11 And I'd just like to thank you for your time on
12 letting us all speak on this behalf.

13 CHMN. MAYES: Okay. Thank you, very much, for
14 being here.

15 I don't have any other slips for APS, so I'm
16 going to move in to Unisource, unless we do have someone.

17 Okay. I'm -- sir, did you want to speak on
18 APS?

19 MR. NELSON: I want to speak to APS.

20 CHMN. MAYES: Okay, great.

21 MR. NELSON: Yes. I'm sorry. I was just
22 letting it go.

23 CHMN. MAYES: Oh, that's okay. Why don't you
24 come on over, and --

25 MR. NELSON: If you want me to fill out a slip

1 during -- after.

2 CHMN. MAYES: Maybe afterwards.

3 MR. NELSON: Okay. I've provided written
4 testimony. I was just going to introduce myself.

5 CHMN. MAYES: Okay. You're not an intervenor,
6 though?

7 MR. NELSON: No, I'm not.

8 CHMN. MAYES: Okay.

9 MR. NELSON: But I did provide written
10 testimony.

11 My name is Gary Nelson. I'm a Realtor with
12 Realty Executives in Flagstaff. And I just wanted to put
13 my face to my name and introduce myself. You've already
14 received my written testimony.

15 To me, this -- and I would speak in support of
16 going back to the thousand foot extension, of course. To
17 me, it's not about what the price of the land is doing,
18 because that's -- in my business, there are a lot of
19 things that are affecting the price of the land right now
20 and the price of homes and that type of thing.

21 But what it is, is it's how -- what the effect
22 is on people -- and people that own property and they've
23 been there and they're already there. There's a huge
24 difference in lifestyle on the grid and off the grid. If
25 people are living off the grid and they have solar and

1 wind power systems in place, they have a pretty darn good
2 lifestyle. And I would echo your comments about
3 sustainability, big difference as a -- as a goal -- and
4 yours also. A goal of 50 percent clean power is -- is a
5 great goal.

6 But the reality of it, and what I see as a --
7 as a Realtor is that if they're able to afford those
8 things then it's a great thing; but if they're not able to
9 afford those things and they're living on that property,
10 they're living in squalor. It is -- the -- the difference
11 of what electric power can do is -- is astronomical.
12 Things that we take for granted every day -- children with
13 a computer, lighting, just the difference in education of
14 the children and what -- what they can do with power and
15 not have power on a property is just amazing.

16 The thousand foot extension from -- that was in
17 place for 54 years, let's face it, it was to -- to help
18 growth in this state and help the rural areas here. And
19 of course, you know, when you talk about the San Francisco
20 Peaks, we don't need any houses up on the San Francisco
21 Peaks --

22 CHMN. MAYES: No, I didn't mean this exactly.

23 MR. NELSON: -- none of -- none of us want
24 that. But your point is how remote do you provide
25 service?

1 CHMN. MAYES: For free.

2 MR. NELSON: For free. And the answer to that
3 question is a thousand feet.

4 COM. PIERCE: A thousand feet.

5 MR. NELSON: That's it. We're talking a
6 thousand feet. We're not talking a thousand miles or
7 whatever. It's a thousand feet. And that's all -- that's
8 all we're asking for.

9 CHMN. MAYES: Do you -- and I appreciate you
10 being here, Mr. Nelson, and your comments.

11 One of the -- you know, it has an impact, an
12 aggregate impact on ratepayers. And I'll just speak
13 retrospectively.

14 As I said I was one of the commissioners who
15 was here when APS came in year after year for 8 percent
16 rate increases.

17 MR. NELSON: Right.

18 CHMN. MAYES: Do you -- you -- at what point
19 does that become too -- too harsh on the average
20 ratepayer, living in the middle of Flagstaff, to --

21 Go ahead.

22 MR. NELSON: That's me. That's all I'm saying.

23 CHMN. MAYES: You're okay with 8 percent every
24 year?

25 MR. NELSON: No, I'm not. I'm not.

1 CHMN. MAYES: Okay. Because that's what we're
2 seeing.

3 MR. NELSON: And I understand -- and I
4 understand what you're saying. And -- and I understand
5 that. But it's the -- that's the business that they're
6 in. And unfortunately, that's the business that you're in
7 also is that you oversee them and you have to make those
8 difficult decisions. But those decisions have unintended
9 consequences, and unintended -- unintended consequences
10 are people.

11 It's not the price of land. It's -- it is,
12 this much, when it's that big. But it's -- it's people
13 and the effect on -- on people that are living in remote
14 areas. And Arizona is a rural remote state. That's just
15 who we are. And so I would urge you to consider
16 reinstating the thousand foot.

17 CHMN. MAYES: Okay.

18 MR. NELSON: Thank you.

19 CHMN. MAYES: Thank you. Okay. Unisource
20 Natural --

21 Oh, do we have a couple more that want to speak
22 on APS?

23 Okay. Sure.

24 COM. PIERCE: Gary, would you fill out the
25 slip?

1 MR. NELSON: Oh, sure.

2 CHMN. MAYES: Yeah, if you could.

3 And then we'll go to the gentleman in the back,
4 then over here. Come on forward.

5 MR. CISLO: I wasn't sure if I was going to say
6 this, but --

7 CHMN. MAYES: No problem. And just state your
8 name for the record -- or I'll -- I'll do it.

9 Todd Cislo.

10 MR. CISLO: Thank you. Thank you for listening
11 to me today. I'm a 29-year resident of Flagstaff. I'm a
12 small business owner. And both APS and Unisource are my
13 utilities.

14 In relation to both APS and Unisource, I kind
15 of echo the sentiments of the gentleman who spoke earlier
16 about Flagstaff being all about sustainability and
17 conservation and stuff.

18 And I can speak personally from a residential
19 standpoint that my wife and I have been able to counter
20 all of the rate increases by educating ourselves about
21 conservation. And by doing very simple things, in terms
22 of conservation, we've been able to head off -- except for
23 the Unisource increase that happened a couple years ago,
24 that was off the hook, like double, and we couldn't do
25 much about that.

1 But as far as conservation in the state of
2 Arizona, my wife and I have traveled quite a bit. And we
3 have friends all over the world and they think of Arizona
4 as sun. I mean the world does. And we all know, in
5 Arizona know, Northern Arizona is also wind. They're
6 both.

7 So it just seems to me a compelling argument
8 for everybody at the state level to -- to think about what
9 we want Arizona to look like, in relation to what the
10 world sees us as. And are we in -- kind of in sync with
11 that, the whole thing about wind and -- and sun? Or are
12 we kind of opposing that, saying, No, we want to continue
13 to do what we do?

14 And I think the answer should be pretty
15 obvious, in that a couple -- maybe it was a year ago now
16 there was an issue in National Geographics that talked
17 about a -- a county in Texas, and that -- and I'm sorry,
18 I'm not going to be able to remember it exactly -- but
19 they talked about how they were not going to build an
20 entire new coal-burning power plant by putting in place
21 ways to conserve.

22 And they did this by offering incentives to
23 people to buy when they replace, not to go out and buy
24 new, but when they replace an appliance that there was no
25 regular energy-consuming appliance available in the entire

1 county. They made it such that -- incentives and such --
2 that the only thing that was available was energy
3 efficient appliances.

4 So through measures like that, they were able
5 to eliminate having to build an entire new plant, which
6 obviously would have a great effect on their rates and so
7 on and so forth.

8 So I think business leads by example. And I
9 try to, at my business, be very conscientious of all the
10 effects on the environment and energy. And I can say
11 that -- I can be pretty comfortable saying that my company
12 is much more sustainable and much more able to withstand
13 what's happening right now because of what we do. And
14 it -- it's simple to do.

15 And businesses just need to lead. So APS and
16 Unisource need to lead, and you need to encourage them to
17 lead. And we need to lead as a state because we are about
18 sun, and we need to lead as an industry moving forward --
19 people talking about new jobs, it's only obvious that if
20 we were the leaders of the world -- not Germany -- people
21 would have jobs. We'd have great jobs; we'd have
22 high-paying jobs.

23 And so in that, I would just like to finish up
24 about that, with that. And in -- in that, too, certainly
25 a lot of people are very passionate about the thousand

1 foot thing, and I'm just hearing about that tonight.

2 So I'm -- I was listening to what everybody was
3 saying, and then as I was listening to this, I was asking
4 myself, Okay. Do I know enough about this to comment?
5 Well, I do have a personal experience that I could comment
6 about how what was, was; and what is, is.

7 And I own property in Colorado, outside of --
8 south of Telluride, about 25 miles, a little tiny place
9 called Rico. Anybody who's been through there knows
10 it's -- like it's a little hole in the wall.

11 And we bought property there, years and years
12 ago, for retirement. And we were able to afford it at
13 that time because of the price of the land and so on and
14 so forth. But then something happened where Telluride's
15 influence of property values floated over the Pass. And
16 two years ago, our property taxes tripled.

17 And we went -- everybody in the whole town went
18 to the assessors and said, What -- we aren't Telluride.
19 We -- three -- I mean, if I told you the amount that we
20 paid a year in taxes you'd be floored. I mean, it is a
21 floorable amount.

22 So you know, so we -- all of us went to the
23 assessors. And they said, No, that's -- these are your
24 property values. And that's what it is.

25 And so my wife and I's dream, we were going to

1 build our little cabin in the summer, and we couldn't
2 build it because now we cannot afford to build the house
3 and pay our taxes.

4 So things happen. And we fought it every way
5 we could. We looked at it and said, Jeez -- you know.
6 But the bottom line was, is that what was, was; and what
7 became is.

8 And we're hurting as an economy. And we
9 still -- my wife and I still see our increases in your
10 utilities, but we're able to counter them, like I
11 mentioned earlier, but they're still going up.

12 And at some point in time, I mean -- and to
13 answer the question of the gentleman back here -- I mean,
14 people who are less fortunate, these types of pulling back
15 of what was can be more difficult.

16 But then it also -- also begs an imposing
17 question of, Well, could it really happen, really, in the
18 first place? And that's what Arizona and Nevada and
19 Florida and California are feeling the effects of -- the
20 attitude we've had for years of, "Well, absolutely."

21 And one of the big issues in Rico, is that
22 property -- property values go up, and one of the things
23 was that people speculated that things always go up. Real
24 estate is always going to go up. And we all know that's
25 not true and what happened.

1 So in lieu of what you've been saying, Kristin,
2 the Honorable Kristin, I agree with it, is that why
3 should -- and then why should the highest concentration of
4 people -- and people in Flagstaff don't like sprawl. So
5 when we talk about in-fill, we like the sound of in-fill
6 in Flagstaff. We don't like sprawl. We don't like people
7 coming from elsewhere to sprawl further. We like them to
8 build inside. We just prefer that.

9 So when -- when we think about people wants
10 40 acres, many of my friends and I, we say, Well, what if
11 everybody wanted 40 acres? And if everybody wanted
12 40 acres, what would Arizona be? It would be an
13 impossible place to live.

14 So in lieu of what you experienced when you
15 moved here, yes, people have already paid for it, but they
16 paid for it based on a higher concentration that was
17 manageable and reasonable. Not everybody wanting 40 acres
18 or 10 acres or even 5 acres.

19 So if the sprawl is the issue, we in Flagstaff
20 have always looked down the hill and said, Those guys and
21 their sprawl.

22 And so, Realtors, you know -- no offense,
23 man -- I'm going to pick on all of you because you're
24 all -- I was listening to all of you standing up here --
25 you know, Realtors like sprawl, they like growth. So that

1 has a part to do with that.

2 And so anyway, I've said enough.

3 CHMN. MAYES: Thank you, Mr. Cislo -- I guess,
4 Todd. And you can call me Kris.

5 No, I appreciate that -- that was very
6 interesting.

7 Commissioner Pierce, do you have a question?

8 COM. PIERCE: Well, we have one more.

9 CHMN. MAYES: Yeah, I know.

10 Mr. Cislo, could you come back up? I have a
11 couple questions.

12 Do you mind telling us what you did to conserve
13 at home and in your -- and at your business?

14 MR. CISLO: Basically, we look at everything
15 from what the thermostat's at is the main thing -- I mean,
16 obviously, that's huge.

17 We don't have air-conditioning, which is
18 great. I couldn't imagine not having air-conditioning in
19 Phoenix, and I think I'd be in a different frame of mind
20 if I was coming home to an 85-degree house every day. But
21 you know, that's the price to pay for a place that is such
22 that it is.

23 But from looking at how we use everything, I
24 mean, just everything. I mean, we look at is a light
25 turned on? Is a -- that -- is that radio in the guest

1 bedroom, that no one's there for but every once a month,
2 does that need to be plugged in? Does the computer need
3 to stay on all night? Does --

4 I mean, as far as electricity is concerned. As
5 far as gas is concerned, you know, how you use the stove
6 and the water heater. We have a recirculating pump in our
7 water heater so that we get fresh hot water as soon as you
8 turn it on. We have superefficient appliances. We don't
9 replace them until they're needing to be replaced. We
10 don't go out and buy something new just to buy something
11 new.

12 We just look at everything. I mean, you know,
13 there's -- we all see these articles in magazines and
14 such. You know, they say, Oh, if you just do these few
15 simple things. Well, if you do a few simple things, they
16 work.

17 And so it really is just a matter of
18 recognizing how we don't recognize.

19 CHMN. MAYES: Thank you. Appreciate that.

20 And then we have one more on APS and then we'll
21 move to Unisource.

22 MS. AUDREANI: Good evening. I'm Lucinda
23 Audreani. I work with the County, but I'm not here on
24 behalf of the County this evening. I'm here as a -- as a
25 rate payer and an individual that works in the energy

1 industry. I think I'm getting around 30 years.

2 First and foremost with infrastructure, as the
3 gentleman, the Realtor pointed out the uses -- don't
4 forget the value of infrastructure.

5 If you look back -- I've been here for
6 12 years. In that time frame, the only time I've ever
7 seen anyone get exercised around APS was the winter that
8 we had part of the -- of the city of Flagstaff without
9 power for several days.

10 And so it's very important in an infrastructure
11 case to remember that power is fundamental to life now.
12 And that isn't a figurative statement. That is reality at
13 the hospital. That is reality for many people who live on
14 medical devices at home, and for all of us who have
15 computers on.

16 I literally just remodeled and put in the
17 ability to have a backup generator if I need to be able to
18 do that given the weather conditions here, and knowing
19 that I want to live here for the remainder of my life.
20 And there may be a point in my life that I have to have
21 that level of reliability. We're extremely fortunate
22 here.

23 I spent 16 years with Pacific Gas and Electric,
24 and I'd be thrilled to have -- when I was in California, I
25 didn't have this level of reliability. And frankly I

1 think a lot of rate payers take that for advantage here.
2 So I think we do need to take -- you know, I really
3 encourage you to take that into consideration.

4 The second point I want to make is regarding
5 renewables, and to one, favorably comment on APS, I think
6 as -- as Supervisor Taylor pointed out. I've been
7 involved with NAREG and those efforts, have been kind of
8 managing that effort. And APS has continued to be very
9 supportive of all of the efforts there. And you know, we
10 look forward to continuing those efforts. And so I -- I
11 think they have been supportive.

12 I -- I think the way that the regulatory scheme
13 here in Arizona is -- is not particularly favorable to
14 renewables. And you all understand what those components
15 are and things need to change to support that and can do
16 that over time and do that in a reasonable fashion.

17 Having come from California, though, I think
18 probably the -- the biggest difference that I see is that
19 there has been just an incredible lack of investment in
20 energy efficiency. And I look at California -- I know
21 when I was with the utility in 1990, we literally invested
22 a billion dollars in -- in energy efficiency, and that was
23 literally, what, 20 years ago now.

24 And so I would really encourage you to look at
25 perhaps a new framework relative to energy efficiency

1 that -- that brings on that investment and really look at
2 what is that cost comparison to new investment in
3 energy -- both renewable and nonrenewable energy
4 efficiency.

5 I mean, time and time again, as a service
6 consultant for many large energy users across the country,
7 always invest in energy efficiency, first, frankly, and
8 then you invest in renewables. So I would really
9 encourage you to look at that. And look at a framework
10 whereby they can gain stock -- stockholder benefits from
11 investments in energy efficiency. And that's what
12 California did, that turned the whole tide.

13 I didn't get my bonus at PG&E unless we sold
14 enough energy efficiency -- that's literally how I got my
15 bonus, and frankly, a chunk of my paycheck as well.

16 So there are ways to change utilities that are
17 seen as under energy efficiency, both Unisource and APS,
18 if you tie it to stockholder return, that carries a lot of
19 benefit.

20 Lastly, in terms of the rate increase, I would
21 ask you to -- to, though, take into consideration for
22 those low income ratepayers. I do know that we, as many
23 places in -- in Arizona and across the country, are
24 experiencing, you know, difficulties in a lot of
25 families.

1 We have an organization here. United Way takes
2 a major role with an entity called Financial Stability
3 Partnership. We're trying to really work with families
4 who are having difficulties. We just literally -- the
5 County recently had to -- had to reduce services as a
6 result of cutbacks from the State, and that's affecting
7 families, you know, our employees and those families.

8 And so I really would ask you to consider those
9 issues, as you look at the rate increase and how can we
10 moderate the impact on low income families.

11 Thank you for the opportunity to speak.

12 CHMN. MAYES: Thank you. And Lucinda, I
13 appreciate you being here, and I agree with you that we
14 need to invest more in energy efficiency. And I'm glad
15 that the Commission has a workshop, that's probably
16 leading to a rulemaking that is looking at doing --
17 requiring all of our utilities to do 20 percent of all of
18 their retail sales from, well, kilowatt hours -- from
19 energy efficiency.

20 And you're right, it's the cheapest. The
21 megawatt is the cheapest form of electricity there is
22 which is the electricity we don't use. In fact, it's
23 about -- right now the ratio for the really low-hanging
24 fruit, doing -- you know, high efficiency lighting -- I'm
25 pretty sure that's not -- that's not.

1 MS. AUDREANI: That light up there, that is.

2 CHMN. MAYES: These aren't.

3 MS. AUDREANI: These are not.

4 CHMN. MAYES: Okay. But it's about one, one
5 and a half cents per kilowatt hour for energy efficiency
6 measurement versus, right now, 8 1/2 cents for kilowatt
7 hour for the energy that APS is producing that you're
8 buying. So it's really cost effective to do energy
9 efficiency. And we really haven't even scratched the
10 surface in Arizona in terms of -- in getting some. And so
11 we're looking forward to that rulemaking.

12 Oh, and please fill out a form for us.

13 MS. AUDREANI: I did fill out a form, but I
14 turned it in a little late. So --

15 CHMN. MAYES: Oh, okay. Great.

16 Okay. We will go to Unisource. Miquelle
17 Scheier. Did I say that correctly?

18 MS. SCHEIER: It's Miquelle.

19 CHMN. MAYES: Miquelle, okay. And on deck we
20 have Crandall Jones.

21 MS. SCHEIER: First of all, I want to thank you
22 for bringing this opportunity to Flagstaff and giving us
23 the chance for a public comment in the Unisource Energy
24 Services pending rate case.

25 My name is Miquelle Scheier. I'm a senior

1 manager over the Community Resource Division of Coconino
2 County Community Services, including our emergency utility
3 and the rental assistance programs. I've held this
4 particular position for over 10 years, but I'm a 37-year
5 resident of Flagstaff.

6 I have been an advocate for the low income for
7 the past 30 years. And I currently serve as the vice
8 chair of the Arizona Community Action Association Board.

9 Throughout the county, we're seeing consistent
10 increases in the requests for assistance made to Community
11 Services, which provides over 90 percent of the utility
12 and rental assistance for our Coconino County low income
13 families. In Coconino County Community Services, we're
14 seeing record numbers of individuals and families
15 requesting assistance, and we're turning them away in
16 record numbers.

17 As people are experiencing and continuing to
18 experience the economic -- the results of the economic
19 downturn by layoffs and furloughs and losing their jobs,
20 they are -- we're seeing first-time families, who have
21 never before come through our doors, requesting
22 assistance. We are noticing that they are not getting
23 better.

24 The unemployment rate in Coconino County
25 continues to rise from 4.1 a little more than a year

1 ago -- a year and a half ago, to over 6.7 currently. The
2 national unemployment rate is expected to hit more than
3 10 percent in 2010, and typically in Coconino County,
4 we're significantly higher here.

5 Caseworkers throughout the county are reporting
6 serving people that have never before requested
7 assistance.

8 And please excuse me, I have changed this
9 around because I knew I only had three minutes, so I have
10 stuff in different places.

11 CHMN. MAYES: Take your time.

12 MS. SCHEIER: And while we were able to assist
13 more families seeking energy assistance in 2009, with the
14 increased LIHEAP funding, we did not receive that increase
15 this year. Last year, we had \$428,570 to assist families;
16 this year we have 172,000. This year we are experiencing,
17 especially in the wintertime, those increased numbers
18 coming through our doors.

19 We've never, even in good times, been able to
20 keep up with the demand for energy assistance by our
21 program participants. The requests for assistance with
22 utility bills and shut-offs were on the rise this past
23 winter. Flagstaff, Page, and Williams saw a doubling of
24 requests by families who were on the verge of having their
25 heat turned off.

1 I have a couple of comparisons. In November of
2 2008, we served 47 families; in November of 2009 -- I mean
3 in November of -- this is the fiscal year, sorry -- we saw
4 109. In February, of 2007, we saw 110 people; in February
5 of 2009, we saw 310 families. Those were the people that
6 we were -- those were the families that we were able to
7 assist. This is an increase of a little over 43 percent
8 in a year's time.

9 An example of last year -- on average, the gas
10 bill was running about 150 to \$200; this year we're seeing
11 a rise from 250 to \$400. The average electric bill was
12 running \$125 for our low income families; and this year it
13 was up to 175 to 250. And propane prices are just off the
14 charts.

15 Utility costs continue to climb. And with
16 Unisource and APS, major providers of energy in Coconino
17 County, asking for additional rate increases this year,
18 our low income families remain in jeopardy. The outlook
19 for financial assistance for those families is bleak.

20 The safety net that we provide and have been
21 providing has been torn, and people are beginning to fall
22 through in increasing numbers. With reductions in our
23 funding for 2009, and at the end of 2009, with the
24 mandatory state cuts to our existing budget; with
25 anticipating continued cuts for 2010, coupled with no

1 increase in our LIHEAP, perhaps -- maybe, but still not
2 enough to serve those in need, we're looking at over
3 1,000 families in 2010 that are going -- of our low income
4 families that are going to go unserved.

5 We know that increased energy burdens have a
6 direct correlation to homelessness. Add this to the
7 growing numbers of requests and potential cuts for 2010
8 and we could see many more hundreds of our low income
9 families going unserved, and many of our vulnerable
10 populations, including our elderly populations that live
11 on a fixed income, in serious jeopardy.

12 It is in conclusion that I would like to
13 express our support for the testimony provided to you by
14 the Arizona Community Action Association.

15 And that request is that the Commission hold
16 low income customers harmless in this rate case, both in
17 the CARES program and then encourages gas adjustment; to
18 modify the CARES Warm Spirit and weatherization program
19 language to track with federal LIHEAP and weatherization
20 eligibility language; to increase Unisource's outreach and
21 enrollment efforts in the low income discount program,
22 which would include the requirement that Unisource
23 automatically enroll LIHEAP and weatherization eligible
24 customers in the CARES discount program, exempt the CARES
25 customers from the rule regulation Section Number 3,

1 establishment of service deposits to increase the
2 company's support of the Warm Spirits and low income
3 weatherization programs.

4 And I thank you very much, again.

5 CHMN. MAYES: Thank you, Miquelle, for that
6 public comments -- some very important public comments.

7 If I -- let me ask you just a couple questions.

8 MS. SCHEIER: Yes.

9 CHMN. MAYES: And thank you. I'm not going to
10 ask you to read the numbers back, but I'm going to read
11 the transcript, because I thought those numbers were very
12 interesting and troubling.

13 But can you -- you said you don't think that
14 LIHEAP is going to receive a boost here in Coconino
15 County.

16 MS. SCHEIER: Well --

17 CHMN. MAYES: Why is that? Because I know
18 there's more money coming from the feds.

19 MS. SCHEIER: There -- well, we've been told,
20 but we don't have that and we are not -- Arizona --

21 CHMN. MAYES: You have not?

22 MS. SCHEIER: We have not gotten that. And
23 Arizona has always been -- and the warm weather states
24 have really not received their share.

25 As -- with the money that we got last year, it

1 certainly helped us to serve those people who are in
2 need. But with the increased numbers, even that amount
3 that's coming into our state, which is inadequate for the
4 state of Arizona, will not serve our low income
5 population -- at least not in the record numbers that we
6 are seeing come through, of course.

7 CHMN. MAYES: And you don't -- you haven't been
8 told when it will come? I mean --

9 MS. SCHEIER: We have not. We have not.
10 Typically -- well, I -- I think the word on the
11 street is sometime in the fall, which is good for us, as a
12 cold weather community. But --

13 CHMN. MAYES: Okay. How about the additional
14 weatherization money? I don't know if you addressed that
15 in your comments.

16 MS. SCHEIER: I did not. But someone -- Tom
17 Broderick will be addressing --

18 CHMN. MAYES: Oh, great. He will.

19 MS. SCHEIER: -- those weatherizations, but we
20 are in support of them also.

21 CHMN. MAYES: Okay, okay. And you said that
22 there's evidence that increases in utility bills directly
23 impact the homelessness rate. Do you -- do you have a
24 particular site for that? Because I think that would be
25 interesting evidence in the case or --

1 MS. SCHEIER: Yes. The Department of Health
2 and Human Services provided those numbers. Also -- oh,
3 there's one other site, and as I think about it, I will --
4 I'll make sure that you have that.

5 CHMN. MAYES: If you -- yeah. And that
6 certainly is something that could be -- you can provide
7 later, if you have the time.

8 MS. SCHEIER: I will. I will make sure that
9 you get that.

10 CHMN. MAYES: Okay. Thank you, again, for
11 coming. I appreciate it.

12 Crandall -- Mr. Jones. And then, after
13 Mr. Jones, Mr. Broderick.

14 MR. JONES: My name is Crandall Jones. I've
15 been a resident of Flagstaff for -- since I retired 22
16 years ago.

17 My comments are aimed solely to the rate
18 increase sought by Unisource. Natural gas prices charged
19 in Flagstaff went up tremendously in the last two years.
20 I have a friend who has a home -- and it's a large home,
21 but not as large as many in town -- and he told me his gas
22 bill got up to \$350 a month last winter.

23 I think that these high gas prices cause a lot
24 of people to quit heating their homes with gas, and
25 reverting to wood-burning stoves.

1 There's a place just south of Little America,
2 where the year before last, a fellow showed up with a
3 pickup, with sideboards on it about five feet high, full
4 of cut firewood. Before long, another guy showed up.
5 This past winter it was even more popular. And one time I
6 counted eight pickups of firewood, there, being sold. My
7 guess is that there was more firewood sold, per capita,
8 last winter, than since natural gas became available in
9 Flagstaff.

10 There has been a -- an enormous increase in the
11 proven and probable reserves of natural gas in the past
12 few years. This is a relatively new development. And I
13 can tell you how and when if you were so inclined and had
14 the time to hear it. Most of this gas is discovered
15 farther east -- a lot of it in Pennsylvania, New York, the
16 Rocky Mountains, Louisiana, the mid continent, Texas, and
17 the Rocky Mountains.

18 So my guess is that a lot of energy, people --
19 power companies, building new power plants -- are probably
20 going to go to natural gas instead of coal, because it's
21 going to be cheaper, and I hope some day we will have
22 cheaper prices.

23 I got your -- I don't have the information to
24 tell me why we have -- Unisource was unable to find a
25 better contract for a long-term supply of natural gas --

1 and my guess is they were pretty sorry hedgers, but I
2 don't know that.

3 I hope you will all look at this pretty close.

4 There's one final thing in that thing I read in
5 the paper that said this was a permanent increase. That
6 kind of scares me. I don't know how you all regard
7 "permanent," but to me it means forever. And I hope -- I
8 hate to think that some day their rates will go down.

9 Thank you, very much.

10 CHMN. MAYES: Thank you, Mr. Jones. And there
11 is indeed nothing permanent in utility rate making. So --

12 COM. PIERCE: And Madam Chair, if I could.

13 I think, you know, "permanent" is a term of art
14 in this. It's really to let you know that this is
15 permanent until the next rate case. That it -- that --
16 it's not so that you know that this isn't going to move
17 around until there's a bunch of notice, and so that you'll
18 be aware that there is a next rate case, because it
19 doesn't -- it doesn't fluctuate year to year.

20 Although we -- the cost of gas -- there is an
21 adjuster, why some folks wondered why, you know, prices
22 really went up because of the cost adjuster -- which now
23 prices of gas are going down, so that that price adjuster
24 will go down and you -- and everyone will feel the effects
25 of that, actually. And the actual transfer that the cost

1 that was hit to the utility, they passed along, and as the
2 cost of gas goes down, it'll come down also to the
3 ratepayers. That's a cost adjuster that was passed by the
4 Commission. And we actually had a hearing a month or so
5 ago on cost adjusters.

6 But the thing is we're seeing that these prices
7 are coming down. You'll feel the effects of that.

8 CHMN. MAYES: Yeah. And -- and you make some
9 very good points, Mr. Jones.

10 And one of the things that we do look at as
11 part of every rate case that comes in front of us is what
12 is this company's hedging policy? Are they doing a good
13 job, or are they doing a lousy job of hedging and buying
14 forward of their gas? And are they in the money or out of
15 the money on their gas purchases? And it's sort of a
16 prudence kind of review.

17 And if they're not doing a good job, that --
18 that's reflected in the case and in our decision making.
19 And that was a big issue, you know, back when they were
20 trying to raise their rates so high, back a few years ago,
21 and it'll continue to be a big issue.

22 One of the questions that we'll have -- that I
23 have, not only in this case, but in the APS case is, These
24 companies are asking very -- for -- for large increases,
25 especially in the APS case, in -- in their base fuel

1 costs, but the price of natural gas, as Commissioner
2 Pierce just said, has gone down.

3 In fact, in preparing the letter -- the letter
4 that I'm putting out tomorrow on the APS rate case, we
5 found that the price of gas at the NYMEX market was four
6 dollars. Well, remember back in the -- a few years ago,
7 it was up at fourteen dollars per MMBtu.

8 So the question is, Why do these companies need
9 the rate increases they're asking for when the price of
10 gas has gone down? And those issues will be addressed in
11 the case.

12 So thanks for coming and I appreciate your
13 comments.

14 Mr. Broderick, speaking of a gas expert, you've
15 got -- I'm sure he's going to have all the answers for us.

16 MR. BRODERICK: Actually --

17 CHMN. MAYES: And then -- and then after --

18 MR. BRODERICK: Commissioner, here is a graph
19 of gas prices in NYMEX over the last 12 months.

20 CHMN. MAYES: Were they right at the four
21 dollars?

22 MR. BRODERICK: It was -- it is -- well,
23 actually, this -- the front month is under four dollars
24 and the peak month was fourteen. Correct.

25 CHMN. MAYES: Wow.

1 MR. BRODERICK: So that -- there's -- there's
2 what the graph looks like. I happened to have it. I
3 wasn't going to speak on that particular issue, but --

4 CHMN. MAYES: Okay. Tom, before you get
5 started, I want to just say -- I think it's Ron -- is it
6 Ron Coles?

7 MR. BRODERICK: Ron Coles.

8 CHMN. MAYES: Ron Coles -- Mr. Coles is after
9 you.

10 MR. BRODERICK: Thank you, Commissioners, for
11 coming, and allowing me to speak here.

12 I've been in the gas and electric industry, and
13 the conservation industry, for over 30 years. I have an
14 engineering background, and so I've been an advocate of
15 conservation for a long time. And really, that's what my
16 intention is to talk to you about today. I'm not going to
17 discuss the merits of a rate increase or not. I'm sure
18 that you'll all delve into that.

19 But my purpose today is to talk about
20 efficiency.

21 And Commissioner Mayes, I know that you've been
22 perhaps one of the best advocates for efficiency, outside
23 of California -- perhaps across the nation -- and
24 renewables as well, because you're a champion for that.

25 So I'm urging -- I'm urging that there be a

1 very aggressive effort by the Commission to move forward
2 on efficiency, because -- because, as has already been
3 said, megawatts are the cheapest ones that we can get.
4 And if we can say "megatherms," those are also the
5 cheapest.

6 I'm urging this aggressive program, both for
7 low income programs, to -- to reinforce what Miquelle
8 Scheier was -- was talking about, and the ACA -- ACAA has
9 a very good program. They're asking for almost three
10 times the weatherization for low income that the company
11 is suggesting, and that's very important.

12 We have a group -- there's a group that I'm
13 part of -- and Mr. Coles is also part of it -- and -- and
14 we're working in conjunction with some other groups that
15 are actually meeting with Unisource -- have met several
16 times -- talking about how we can dramatically expand the
17 efficiency program.

18 And I am -- I have read through the docket on
19 the -- the efficiency standard. And it is very important,
20 both for APS and Unisource, to go this route. They need
21 to become energy and efficiency providers -- they need to
22 think of them differently. That's what they need to
23 become.

24 I'm going to focus my comments on Unisource
25 because, in Flagstaff, their bills are two to five times

1 the electric bills. And it's very important -- but I also
2 want to say, in addition to efficiency, I mean dramatic
3 expansions of efficiency -- and Lucinda Audreani, who is
4 gone now -- but California sets a great model and -- and
5 let -- let's pick up some of that thinking, because their
6 consumption has gone -- has gone down dramatically.

7 And -- but it's also important that we treat
8 the utilities fairly -- and this has been alluded to, as
9 well. And by "fairly," I mean recovery in a timely way of
10 their costs, provide them financial incentives. We should
11 not expect a for-profit investor-owned utility to do
12 things because it's good for someone who thinks it's good,
13 but it's not financially good for them.

14 I understand that there's costs associated with
15 that to the ratepayers, but this is a good course, and
16 that's the way we're going to get some enthusiasm and use
17 their considerable power and contact with customers to
18 make this effective.

19 To Mr. Jones' point, I wanted to just recap
20 what prices have done at Unisource for the last ten
21 years. They were 44 cents a therm in 1999, this last
22 winter they were \$1.18 -- so that's 168 percent in ten
23 years, which is a 10 percent compounded rate. I'm sure
24 salaries of everybody in the room have gone up at a
25 10 percent compounded rate, so this is really no problem.

1 MR. FERNANDEZ: And the property tax has done
2 that too.

3 MR. BRODERICK: The -- the -- I think it's
4 critically important that we have more efficiency, but the
5 economic hardship, which people have already talked
6 about -- the economics of efficiency are clearly much
7 better if prices are 168 percent higher. And so there's a
8 lot of opportunity, let's go after it. Things that didn't
9 make sense ten years ago are critical now.

10 We have carbon reduction, which I think there's
11 growing consensus -- even among earlier skeptics -- that
12 that's important. Housing affordability is really
13 important because the cost of efficiency is paid for by
14 the energy savings at today's prices.

15 Today's prices -- what's going to -- what are
16 the prices going to be ten years ago from now? I don't --
17 I'm not predicting a 10 percent compounded rate out 10
18 years, but I'm -- I am predicting that it's going to
19 continue to go up. And it also provides jobs -- the whole
20 efficiency work that is -- can be funded by ratepayers
21 through the utility structure, can produce jobs.

22 I want to just mention -- I'm going to go a
23 little over, if that's okay, because I -- I cut down a
24 bunch of stuff and I'd like to add it back in, if
25 that's -- I will try to make good use of your time here.

1 I wanted to tell you a story that you may not
2 know about, and that is that the city of Flagstaff just --
3 just approved a new energy code. It went beyond the
4 International Energy Conservation Code for climate zone 5,
5 which is what we sit. The added mortgage for every one of
6 those items -- it was about \$3,000 more to a cost of a
7 home. It's going to provide savings. It's going to --
8 the mortgage is about \$175. And it's going to save \$550
9 in utility costs.

10 So the low income people make \$300 from the
11 first winter, not over 20 years -- from winter one,
12 they're ahead of the game. They're spending more money in
13 our community. And it's a great program. The Council did
14 not be -- was not as aggressive as -- as I wish they
15 were -- had been. We're going to keep pushing them.

16 The point is that with this efficiency -- with
17 moving a little beyond this efficiency, we could build a
18 home for another \$25,000, put in passive solar for
19 heating, put in a PV array for \$10,000, put in domestic
20 hot water, and have a zero energy, renewable energy home
21 for another \$25,000.

22 But what -- what was going to set the
23 foundation for this is if you -- if you demand of our
24 communities, of our utilities, and -- and of the
25 ratepayers who are going to pay for it, we go to this kind

1 of efficiency and get those aggressive programs, because
2 that will support the move to renewals, because someone
3 said earlier, Go to efficiency first, then add
4 renewables -- of course.

5 So for not very much more money, we can move in
6 that direction, and these higher utility rates are helping
7 us do that.

8 Retrofits -- we need to have people -- we have
9 a lot of existing homes. We're building 11 homes in
10 Flagstaff, so far this year. We're in a housing crisis,
11 but you all know about that.

12 We have -- I think it's 25 or 30,000
13 communities in the -- houses in the county -- households.
14 We need to do something about them and get a good,
15 aggressive, retrofit program. And it's very important
16 that we not have the up-front costs be a burden.

17 If I could digress to the other folks about the
18 thousand free feet.

19 And it's a very tricky issue, Commissioner --
20 and I know that you've talked about it, because I've heard
21 you talk about it, I've read your testimony on it.

22 Who pays for line extensions? Is it the people
23 who are getting the line extensions or everybody else?

24 And it's a hard position. I happen to support
25 your position because I think growth should pay.

1 Maybe a suggestion is, Don't have it be an
2 up-front cost, charge it. Don't have it be an up-front
3 cost. Have the utility collect it on the bill as
4 something, so it's not an up-front cost that burdens these
5 people. And have it go from that property owner to the
6 next person who is on that property, and have it go on for
7 a long time -- just as an aside. I didn't plan on
8 commenting on that, but it was an idea.

9 And it might give you folks a way out. It
10 helps your folks, but it maintains your principle of the
11 people getting extensions paying it.

12 CHMN. MAYES: So Tom, this is fascinating.
13 I've never thought about that idea. Do you -- you're
14 suggest -- you're basically suggesting something that has
15 been suggested for energy efficiency in solar, which is
16 on-the-bill financing --

17 MR. BRODERICK: Right.

18 CHMN. MAYES: -- for line extensions?

19 MR. BRODERICK: Right. That -- and have it be
20 at some kind of moderate pace and have it be transferrable
21 from the initial customer to whoever moves onto that
22 property, and have it disclosed at the time utility
23 service for the new customers is added.

24 I'm -- Ron Coles is going to talk a little bit
25 about that for energy efficiency as well -- where the

1 energy efficiency is paid is the PAYS program, where you
2 go and -- an efficiency upgrade is made to a property,
3 that customer pays a certain amount that lowers his bill,
4 but helps pay for the efficiency; and that transfers to
5 the next -- next customer at that meter location. And
6 that way, we -- we're upgrading the houses.

7 If we can take care of renters -- how do we
8 deal with renters on efficiency? It's a terrible
9 problem. This is a way to deal with that problem and get
10 all the housing upgraded, so we don't have people
11 struggling and having to choose -- let's see, food,
12 medication, utility bills? So now that's something
13 that -- I -- I'm almost done here.

14 This one page is certainly taking a long time,
15 so I just want to thank you. Thank you for your
16 indulgence.

17 If we have a widespread aggressive program that
18 has lots of participants, then the program costs per unit
19 go down, and it also impacts a lot more folks. And I just
20 wrote, maybe we're looking -- and Mr. Coles is going to
21 talk about it some more -- using a revolving loan fund set
22 up by the utilities. We can have that funded by the DSM
23 adjuster. Do the upgrades. Have the customers pay it
24 back over time, but with lower bills. And all customers
25 can do that -- maybe a sliding scale where the lowest

1 income don't quite pay it all back; the higher income,
2 middle income do pay it all back. And you have this
3 revolving fund. And now you have a way of funding
4 efficiency forever, until we get to all of the places, and
5 it minimizes the impact on non-participants.

6 So we have more participants. And the impact
7 on nonparticipants is not bad because the folks are paying
8 it back. So it's a great concept, which Mr. Coles is
9 going to talk about a little bit more. It also has the
10 participants -- you know, if you come in and do something
11 for free, you're going to upgrade my house.

12 Well, great, I can turn the heat up to 75 now
13 and I can run the hot water. If they're paying for it, by
14 golly, they will be invested in making it work. And
15 that's -- to me, is an important design element of the
16 program.

17 Well, you're headed down the right path. It's
18 very exciting, the standards -- and Commissioner Mayes,
19 you're the champion here.

20 I don't mean to slight the rest of you, but
21 I've been watching Commissioner Mayes for a longer time.
22 And you're a champion of the renewable energy standard,
23 that's terrific. You're a champion of this energy
24 efficiency standard, as well. And this is the right
25 path.

1 We need to be aggressive. We need to -- as
2 Lucinda Audreani said -- we need to be like California, in
3 some ways. As an -- as an Arizona resident, never lived
4 in California -- in this regard, we need to do some
5 copying. And you folks are going down the right path.

6 We just urge you to go down that path and force
7 the utilities -- well, "force" is maybe a harsh word --
8 but lead the utilities to do this work, because they're
9 well positioned, but they need to be -- they need to have
10 a financial invest -- and that's only fair. It's not just
11 a mandate. Let's make -- let's get them excited about
12 doing this, so their best people are on it, so they can
13 invest money in it, so that this is an important thing at
14 the CEO level, instead of just something that has to be
15 done in order to keep the peace with you folks.

16 Okay. Thanks.

17 CHMN. MAYES: Thank you, Mr. Broderick, very
18 much, for coming and for providing your insight.

19 MR. BRODERICK: And one -- and for one extra
20 idea that I didn't have until I got up here.

21 CHMN. MAYES: Ron Coles. And then after Ron,
22 we have a slip from Andy Fernandez.

23 MR. COLES: Hi. Thank you for coming to
24 Flagstaff.

25 I'm Ron Coles. I'm the director of the program

1 for Community, Culture, and Environment, at NAU. I'm also
2 very active in SEDI -- the Sustainable Economic
3 Development Initiative, that you've heard about and Tom
4 just mentioned again. And I'm a leader on an action team
5 around energy efficiency, particularly in policy and
6 incentives.

7 One of the things that we're doing right now,
8 we're in deliberations -- initial, but hopeful, I think --
9 with Unisource, exploring ways of financing and
10 cooperating together, both ways on energy efficiency
11 work. So that I think is -- is very hopeful.

12 The problem with following Tom is he knows more
13 about this issue than anybody else -- certainly than me --
14 and also he took twice as long and said everything that he
15 said I was supposed to say. So I will be very, very
16 brief.

17 Okay. So really what -- my point of entry here
18 is the part of the rate case that talks about shifting the
19 ratio of fixed costs to commodity costs. And I -- I
20 should clarify also that I'm not speaking on behalf of
21 SEDI or NAU tonight -- just as a citizen.

22 So I -- I would urge you to support this kind
23 of shift. It seems to me that it's a prototype for
24 decoupling, yet this affirmation, it seems to me, is
25 linked to two key principals which have already been

1 mentioned, so I'll be brief.

2 The first is that the -- the specifics of any
3 decoupling need to be tied to increasing energy efficiency
4 for customers and increasing incentive structures for
5 utilities to increase energy efficiency.

6 The second, it seems to me -- and SWEEP
7 articulates this very well -- is that a substantial
8 majority of the savings should go to the customers.

9 So with those two kinds of general principals,
10 it seems to me like the direction is a good one.

11 SEDI, as you already probably know, is an
12 organization that brings together all sectors in Northern
13 Arizona around sustainable economic development. Our
14 members include green businesses, institutions of higher
15 education, elected and administrative staff, and agencies
16 within the city and the county, utilities, and so forth --
17 workforce development organizations.

18 So what we're doing is developing this network
19 that brings together economic capital, social capital,
20 educational capital, political clout -- and "partnership"
21 is really the name of the game here. There -- there
22 are -- each one of these different kinds of entities
23 brings different capacities to achieve energy efficiency
24 to the table. And they're far greater, I think, than any
25 single entity, like a utility alone can do. So what we're

1 doing is encouraging a partnership that multiplies the
2 capacities of each member and the overall outcome.

3 The partnership, of course, requires
4 substantial economic capital to get it going, and that's
5 what we're looking on in a variety of ways.

6 One of the things that we're looking at, as Tom
7 mentioned, for energy efficiency retrofit work,
8 establishing a revolving loan fund. And I would urge you
9 to not just look at California -- which has done some
10 great things -- but also Kansas -- which Kansas is the
11 leader right now -- far ahead of California, I think. I
12 know it's very counterintuitive. What's right with
13 Kansas?

14 But -- but in fact, Midwest Energy, which is a
15 publicly owned utility in Kansas, a couple of years ago
16 picked up a program that has been -- was theorized and
17 formulated in Vermont, called the PAYS program, Pay as You
18 Save -- that's the acronym. And they modified it.

19 So two years ago they established a revolving
20 loan fund. Note that Midwest Energy sees this not as a
21 revolving loan fund, but actually as an investment because
22 they make money on it. And they started with about
23 \$700,000, the pilot program, that was so successful that
24 it became the model for what is called now "Efficiency
25 Kansas," which the Kansas Corporation Commission put

1 forward and garnered \$35 million of the ARRA money just a
2 couple weeks ago -- so a very effective and compelling
3 program.

4 So I -- I would urge you to think about DSM
5 adjustments and incentive restructuring for utilities to
6 receive fair returns for helping to finance something like
7 this. Essentially, the Kansas Efficiency Program and the
8 House Smart Program, run by Midwest Energy, works like
9 this to accomplish three things -- so it establishes a
10 revolving loan fund.

11 First, it allows consumers to greatly increase
12 their energy efficiency through retrofits, with no initial
13 layouts or up-front costs. The loan is built right into
14 their bill, and they use fairly conservative metrics, so
15 it's very cost effective, which allows them to ensure that
16 the bill post-retrofit will be no more than 90 percent of
17 the pre-retrofit bill. So you get an immediate savings of
18 at least 10 percent for the retrofit work, and then you
19 pay off the loan over time.

20 So as Tom said, that create -- it solves a
21 collective action problem, which is, How do you get
22 renters? Renters can actually initiate this work, as long
23 as they have the approval of the landlord.

24 So because this mechanism -- again following
25 Tom, but it's -- redundancy is not a bad thing -- because

1 the financing mechanism is a revolving loan fund, the
2 money is put back in the pool. So it keeps cycling and
3 doing work over and over again, and creating economic
4 ripple effects, and so forth.

5 Finally, I want to emphasize nonparticipants
6 benefit greatly in this because, after a certain amount of
7 time, you've built up the revolving loan fund and you
8 don't need to pump more capital into it, so it reduces
9 nonparticipant costs to zero.

10 So I think there's a lot to recommend this.
11 We're working on it up here and we urge you to think about
12 it.

13 CHMN. MAYES: Mr. Coles, let me -- a couple
14 questions first.

15 And if this works the way I understand other
16 revolving loan funds would work or do work, the -- the
17 money that -- that you -- the people who do this, would
18 pay it off -- pay the loan off by the energy efficiency
19 savings that they get on their utility bill; correct?

20 MR. COLES: Exactly.

21 CHMN. MAYES: So it gets put onto your bill,
22 but you're paying it off with the money that you don't
23 have to pay or the savings that you get from the energy
24 efficiency methods that you've implemented in your house?

25 MR. COLES: Exactly, exactly. So the bill --

1 again, it reduces at least 10 percent. Yeah, that's --

2 CHMN. MAYES: How does the money go back into
3 the -- into the revolving fund? How does that work?

4 MR. COLES: Every payment goes back into the --
5 you're paying off your loan, and then that money becomes
6 available for a new setup.

7 CHMN. MAYES: I see. Okay. And then you said
8 that you think that the Commission should tie -- that if
9 we adopt some sort of decoupling mechanism, or if we adopt
10 the company's -- what you called a sort of decoupling
11 prototype, decoupling light -- whatever you want to call
12 it -- measure, which is moving from more -- from fixed
13 costs to more of a commodity cost.

14 MR. COLES: Um-hmm.

15 CHMN. MAYES: You said we should tie that,
16 though, to real energy efficiency investments or
17 programs. Can you elaborate on that? I mean --

18 MR. COLES: Yeah, yeah. So it seems to me
19 Midwest is a perfect example -- Midwest Energy.

20 When they established the revolving loan fund,
21 the intended structure was such that they were allowed to
22 receive their normal rate of return for that money
23 invested, which was about 8 percent.

24 Now 8 percent is too high an interest rate to
25 make energy efficiency more affordable for many low income

1 families. So -- so what they did in that case was take
2 half the pool at 8 percent, and then they had an
3 affordable housing fund in the state legislature mix
4 those, so they brought the customer interest rate to
5 4 percent, which -- which works economically.

6 But the essential idea is that you get -- you
7 get the same kind of rate of return for reducing energy
8 flow that you would otherwise get --

9 CHMN. MAYES: Well, I guess my point is, from a
10 policy standpoint, I think what you said was the
11 Commission should not give the company decoupling unless
12 we also demand that they do more energy efficiency in the
13 same case; correct?

14 MR. COLES: Yeah.

15 CHMN. MAYES: Is that what you're saying?

16 MR. COLES: Yeah.

17 CHMN. MAYES: Okay. All right. Thank you,
18 very much.

19 Any other questions?

20 And then we just have one more, I think. Andy
21 Fernandez, Mr. Fernandez?

22 MR. FERNANDEZ: Yes. Hello. My name is Andy
23 Fernandez. I was born and raised here in Flagstaff. I
24 was a congress candidate here back in 2002. Actually, I
25 initiated a rare recycling referendum in '95, to initiate

1 recycling here in the city of Flagstaff.

2 And as of right now, we just have some serious
3 issues with regard -- with regard to the expenditures, and
4 they're being brought on by -- and they're brought on by
5 the greed of the almighty -- of the almighty dollar. And
6 it's a situation with the -- the Arizona Board of
7 Regents. And the tuition being increased to -- we had
8 eight tuition increases. We had four salary increases for
9 the president of -- at NAU -- all for the almighty dollar,
10 for the greed of the hierarchy. It's ridiculous. And
11 that's what's still happening.

12 Well, it's happening everywhere. We have this
13 pyramid. It's a pyramid scheme, basically is what it is.

14 The situation with Habitat For Humanity and
15 HUD -- they had about -- affordable housing units that
16 were built here seven years ago -- I'm not going to
17 disclose the locations -- but right there, the housing
18 units in that area were assessed value at \$85,000.
19 Someone comes into this program, eight months later he
20 tells us our building -- after they're all finalized and
21 situated, the assessed value goes up \$65,000, all for --
22 for the gain of the -- the -- the hierarchy -- the few.
23 And it's what's wrong with the -- with our society, and we
24 need to get back to simplistics, back to the basics.

25 And your board here, itself, it has been

1 increasing the increasing fees over the years, as well.
2 You know, you can never say no, because, well, some people
3 are getting greased over here.

4 And I've had numerous people come and talk to
5 me over here and tell me when I ran for congressman and
6 when I ran for mayor, that they -- well, I -- you know, a
7 lady I know from the museum club, and she told me, Yeah, I
8 was paying 80 -- 80 bucks a month, and now all of a sudden
9 I'm paying 185 bucks a month. And I'm on a fixed income.

10 And I've had this offered numerous times, and
11 you know, it's just an unending story, and I figured time
12 and time again.

13 And here the economic base is that the average
14 wage is eight bucks an hour, so you have to quantify that
15 with the costs of the fees, and your implementations are
16 not -- are not being successful, and being a very
17 dramatic, ineffective situation that's impacting the rest
18 of the society.

19 And that's what we're in dire straits as it is
20 now -- with the automobile industry as well, we should
21 never be bail -- bailing out these people. We shouldn't
22 be bailing the housing -- the housing region, as well.

23 What we need to do -- as I said, we need to
24 look at planning and zoning, which I addressed this issue
25 a few years. In fact, I just heard about the meeting here

1 about half an hour ago, so I didn't bring any of my
2 paperwork. I haven't even looked at all of this stuff.
3 I'm just going off of a lot of what I remember.

4 And the situation is, is we need to go to
5 planning and zoning. And we don't allow two or three
6 regions at a pop land, let's go. You know, we can -- can
7 sell them between a thousand a pop and we all get our
8 12 percent. If we're doing that, we're giving them
9 mostly -- more than that -- more often than not -- excuse
10 me -- we're getting 18 to 22 percent.

11 So we've got to address the issues of the
12 planning and zoning first, and only allow a minimal amount
13 of units. This is what I said back in 2001, when I was
14 running for congressman. I said the housing market would
15 probably crash. And everything I've stated has come to
16 be.

17 And it's an issue that we need to address these
18 serious issues now. And so we need to look at planning
19 and zoning. We need to have an allotment of no more than
20 50 units at a pop being built, and that's a -- you know,
21 that's a situation that we also need to look at population
22 increase and coming into our communities.

23 And the people who have been here that, just
24 have moved into the communities -- are the ones that have
25 to build. It's ridiculous.

1 And these revolving funds, like I said, it's
2 just another pyramid scheme, just so the top two get
3 their -- get their little extra money so they can go to
4 Bermuda -- have a nice little time out -- time out over at
5 their -- their -- what do you call it? timeshare, in their
6 timeshare units.

7 So we need to stop conforming to society and to
8 the -- to the majority, because I say, well, you got --
9 you have a very limited middle class base now. And if we
10 keep on going where we're going now, we'll have less than
11 4 percent here in 12 years. So we need to address the
12 issue and get on -- get on with the ball.

13 And you know, like Alan Jackson says, Thank
14 you.

15 CHMN. MAYES: Okay. Thank you. We -- that
16 exhausts our public comments slips.

17 Do we have anybody else that would like to say
18 or add anything? No? Okay.

19 And my colleagues, would my colleagues like to
20 say anything?

21 COM. PIERCE: Madame Chair, if I could, it was
22 handed to me, nine -- it looks like e-mail comments --
23 that I'll -- I'll hand you for the record, since they were
24 handed in today, and they're all about the thousand foot
25 line extension -- all in favor of being reinstated.

1 You know, this was an interesting hearing
2 because what we really heard was about different policies
3 of the Commission -- not so much the overall rate case,
4 but it was policies.

5 And each one of the policies -- and we talked
6 about energy efficiency, renewable energy, the thousand
7 free foot, or decoupling of rates -- I started thinking
8 about each one of those actually affects rates upwards,
9 initially, because it's a tariff to do something. It may
10 bring results later on to drive things down.

11 But the -- and as you listen to people talk
12 about it, we need to promote rates that -- that do these
13 things. And I think that that's -- and especially -- I
14 don't expect everyone in the room to understand
15 decoupling -- it took me a while to figure that out --
16 which is simply to encourage efficiency, but also
17 guarantee the -- the gas company, because now we're asking
18 them to help in that efficiency, which means they're going
19 to sell less gas, which does affect their -- their bottom
20 line, to be guaranteed a little more.

21 So it's -- it's a balancing act, and one that
22 not all of us, as commissioners, are sold on.

23 So we have -- it was -- it was a really good,
24 educated dialogue tonight about a lot of policy issues,
25 and I really enjoyed it, and look forward to the rate

1 cases.

2 But I have to admit that coming to Flagstaff
3 was really -- really a good experience.

4 And those of you who came from Phoenix to here,
5 it was much better than having a hearing in Flagstaff --
6 in Phoenix. And so we have those too. But this is a good
7 place to come and be able to sit in a nice climate and
8 comment on these issues.

9 So thank you for coming. It's been my pleasure
10 to be here.

11 CHMN. MAYES: Commissioner Kennedy?
12 Commissioner Stump?

13 COM. STUMP: Yeah. Thanks, Madame Chair.

14 I would just add that this, in my mind, has
15 been one of the most instructive public meetings that
16 we've had. I've learned a lot. And I just want to
17 appreciate all of you for doing your civic duty and coming
18 out and making your views known to us here tonight.

19 So I appreciate that.

20 CHMN. MAYES: Yeah. I would echo those
21 thoughts.

22 Thank you, very much, for -- for having us here
23 in Flagstaff. It's a pleasure to be with you and to be
24 with the people that we serve every day.

25 And I agree with Commissioner Pierce and

1 Stump. This was a fascinating public comment session, and
2 we learned a lot and gathered together a lot of
3 interesting ideas, that I, you know, personally plan on
4 sounding out in the rate cases.

5 We heard a lot about energy efficiency and the
6 need to do more renewable energy and renew our desire that
7 we do more renewable energy in Arizona.

8 We heard a lot about the thousand foot issue,
9 and hopefully we can come to a more constructive
10 resolution on that issue.

11 We heard a lot about gas rates, which have been
12 a terrible problem in Northern Arizona for -- ever since
13 I've been a commissioner.

14 And I often tell the story -- and I'll tell it
15 really quickly. I was born in and raised in Prescott.
16 And my first winter, the first winter I was appointed, I
17 got a phone call from my mother. And she said,
18 "Kristin" -- and I knew I was in trouble when I heard
19 that -- and she had -- she had just gotten her Unisource
20 natural gas bill.

21 And Mr. Jones, she was thinking about stoking
22 up our wood-burner, as well, that winter, and not using
23 very much natural gas because of the high gas rates.

24 And so the Unisource natural gas case will be
25 very much at the center of my activities in August, as

1 well as the APS case.

2 And I just hope, these are hard, hard issues,
3 as we heard today. And some of them will be very
4 contentious, and not every commissioner is going to agree
5 with every resolution on every issue. And we're probably
6 all going to disagree on some of the -- on some of these
7 issues.

8 But I can promise you this, you have a very
9 hard-working commission, and a group of five commissioners
10 who care a lot about working for you, and -- and
11 representing you on energy and water issues.

12 So thank you for letting us be here.

13 You can provide any additional public comment
14 that you would like by e-mailing the Corporation
15 Commission. You can also listen to the hearings, as I
16 said, on the Internet at www.azcc.gov, and you can, of
17 course, call us any time.

18 So thanks, again. And the meeting is
19 adjourned.

20 (Proceedings concluded at 7:44 p.m.)

21

22

23

24

25

1 STATE OF ARIZONA)
) ss.
2 COUNTY OF MARICOPA)

3 I, KATHERINE A. McNALLY, do hereby certify that
4 the foregoing printed pages constitute a full and accurate
5 transcription of the proceedings had in the foregoing
6 matter, all done to the best of my skill and ability.

7 DATED at Phoenix, Arizona, this 6th day of
8 August, 2009.

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KATHERINE A. McNALLY
Reporter

APS

✓

ARIZONA CORPORATION COMMISSION
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 08/03/09 Telephone No. 928-714-1278

Name: Stephen Knutson

Street Address: 2918 W. Tumble Blvd

City: Flagstaff State: AZ Zip: 86004

☒ I WOULD like to speak

☒ OPPOSED

☐ I do NOT want to speak

☐ IN FAVOR

Comments: Where is sustainability to
this rate increase

*****THREE MINUTES SPEAKING LIMIT*****

APS

✓

ARIZONA CORPORATION COMMISSION
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 8/3/09 Telephone No. 928-524-4102

Name: Dusty Parsons

Street Address: 6257 Elk Haven Drive

City: Shoulow State: AZ Zip: 85901

☒ I WOULD like to speak

☐ OPPOSED

☐ I do NOT want to speak

☐ IN FAVOR

Comments: Represent Navajo County

*****THREE MINUTES SPEAKING LIMIT*****

ARIZONA CORPORATION COMMISSION
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 8/3/09 Telephone No. 602 4637196

Name: Mike Wylie

Street Address: 7835 W. Camino

City: Phoenix State: AZ Zip: 85303

☒ I WOULD like to speak

☒ OPPOSED

☐ I do NOT want to speak

☐ IN FAVOR

Comments: _____

*****THREE MINUTES SPEAKING LIMIT*****

ARIZONA CORPORATION COMMISSION
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 8-3-09 Telephone No. 928-536-3035

Name: Joel Law 504

Street Address: P.O. BOX 36

City: Snowflake State: AZ Zip: 85937

☒ I WOULD like to speak

☐ OPPOSED

☐ I do NOT want to speak

☒ IN FAVOR

Comments: POWER EXTENSION

*****THREE MINUTES SPEAKING LIMIT*****

APS

ARIZONA CORPORATION COMMISSION
Information for Public Comment Meeting

✓

PLEASE PRINT CLEARLY

Date: 8-3-09 Telephone No. 602 463 0936
Name: TODD WYLLIE
Street Address: 3225 W. GIBBONS
City: NEW RIVER State: AZ Zip: 85087

☒ I WOULD like to speak

☒ OPPOSED

☐ I do NOT want to speak

☐ IN FAVOR

Comments: SCHEDULE 3

*****THREE MINUTES SPEAKING LIMIT*****

ARIZONA CORPORATION COMMISSION
Information for Public Comment Meeting

✓

PLEASE PRINT CLEARLY

Date: 8/3/09 Telephone No. (928) 522-9720
Name: TODD CISLO
Street Address: 2645 S MATTHEW
City: FLAGSTAFF State: AZ Zip: 86004

☒ I WOULD like to speak

☐ OPPOSED

☐ I do NOT want to speak

☐ IN FAVOR

Comments: _____

*****THREE MINUTES SPEAKING LIMIT*****

ARIZONA CORPORATION COMMISSION
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 8/3/09 Telephone No. _____

Name: LUCINDA ANDERSON

Street Address: 3505 E. RAINBOW LOOP

City: Flag State: AZ Zip: 86004

☒ I WOULD like to speak

☐ OPPOSED

☐ I do NOT want to speak

☒ IN FAVOR

Comments: _____

*****THREE MINUTES SPEAKING LIMIT*****

ARIZONA CORPORATION COMMISSION
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 8/3/09 Telephone No. 928-679-7456

Name: MIDUELLE SCHEIER

Street Address: 2625 NORTH KING STREET

City: FLAGSTAFF State: AZ Zip: 86004

☒ I WOULD like to speak

☒ OPPOSED

☐ I do NOT want to speak

☐ IN FAVOR

Comments: Representing Coconino County Community Services
Low-income individuals & families

*****THREE MINUTES SPEAKING LIMIT*****

UNS

✓

ARIZONA CORPORATION COMMISSION
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 8-3-09 Telephone No. 526-1679

Name: CRANDALL JONES

Street Address: 4530 E. Red Fox Ln

City: FLAG State: AZ Zip: 86004

☒ I **WOULD** like to speak

☒ **OPPOSED**

☐ I do **NOT** want to speak

☐ **IN FAVOR**

Comments: _____

*****THREE MINUTES SPEAKING LIMIT*****

UNS GAS

✓

ARIZONA CORPORATION COMMISSION
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 8/3/09 Telephone No. 527-0236

Name: Tom Broderick

Street Address: _____

City: Flagstaff State: AZ Zip: 86004

☒ I **WOULD** like to speak

☐ **OPPOSED**

☐ I do **NOT** want to speak

☐ **IN FAVOR**

Comments: _____

*****THREE MINUTES SPEAKING LIMIT*****

ARIZONA CORPORATION COMMISSION
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 8-03-09 Telephone No. 699-2849

Name: Ron Coles

Street Address: _____

City: Flagstaff State: AZ Zip: 86004

☒ I **WOULD** like to speak

☐ **OPPOSED**

☐ I do **NOT** want to speak

☐ **IN FAVOR**

Comments: _____

*****THREE MINUTES SPEAKING LIMIT*****

ARIZONA CORPORATION COMMISSION
Information for Public Comment Meeting

PLEASE PRINT CLEARLY

Date: 8-3-2009 Telephone No. (928) 779-1536

Name: Andy Fernandez

Street Address: 2602 N. MAIN Street

City: FLAGSTAFF State: ARIZONA Zip: 86004

☒ I **WOULD** like to speak

☐ **OPPOSED**

☒ I do **NOT** want to speak

☐ **IN FAVOR**

Comments: This increase is not substantiated
to the people who have resided in this
community for the last 30 to 40 years.

*****THREE MINUTES SPEAKING LIMIT*****

New customers should foot the bill.

Joel Lawson

9 comments

From: Greg Brimhall [gregbrimhall@hotmail.com]
Sent: Wednesday, July 29, 2009 10:53 PM
To: wmar@frontiernet.net
Subject: Letter concerning utility extension fee.

To whom it may concern,

I am responding to the fees that utility companies are charging the customers and am so glad that something is finally being done to try and correct this huge mistake. I do understand that costs of installation have gone up over the years, but I am also aware of the money generated by customers using the services. I feel it is unfair for the utility companies to double and sometimes even triple dip off of customers. It has dramatically slowed down the building in my area of the Snowflake/Taylor. We recently gave APS a check for \$59,000 for power in a subdivision with no chance of ever being reimbursed for putting in their power. They make money from the developer during construction and then the consumer to hook up and then also for the usage. In my opinion, the developer is doing the utility companies a huge favor. I feel that it should be a joint effort if services are provided. The end users will pay for whatever the cost to install over time. I live in Snowflake, AZ at 2442 W. Lake Rd. and am so glad that something is finally being done for the people.

Sincerely,
Greg Brimhall

NEW mobile Hotmail. Optimized for YOUR phone. [Click here.](#)

8/3/2009

My Comment:

1,000 feet of utility extension to a parcel of land can be the deciding factor for a buyer to buy or pass on that parcel. It helps the continuation of development of land not currently serviced and the potential end user that may be several miles away from service that can not afford to pay for that distance by themselves. It is a win-win for both the buyer and APS, as it will increase usage and profits for the utility company.

Marce Wildman

6729 Circle C Lane

Show Low Arizona 85901

Joel Lawson

From: kelly oby [kellyoby@yahoo.com]
Sent: Friday, July 31, 2009 5:16 PM
To: wmar@frontiernet.net
Subject: Utility comment

To whom it may concern:

My name is Kelly Oby I am the Broker/Owner of Vernon Realty, Director At Large for the WMAR and Chairman of the Government Affairs Committee.

I have sold thousands of acres that are just out of reach for the folks that purchased. At \$10 a foot it makes it just too expensive to have the power brought to your property. I live off the grid and would love to have power. I believe that if the utility companies could have it their way they would charge \$20 a foot. We the people need some help with this expense.

Please give us back our 1000 feet.

Kelly Oby
P.O. Box 644
Vernon AZ, 85940
928-386-5392
www.vernonrealty.biz

8/3/2009

Joel Lawson

From: Connie Snyder [tiasnyder@frontiernet.net]
Sent: Wednesday, July 29, 2009 4:07 PM
To: WMAR
Subject: Attn; Debbie

To Whom It May Concern;

As a realtor in the White Mountains I work for potential property owners and feel it is my job to look out for their best interests. Please don't continue to penalize property owners by taking away the 1,000 foot power line hook-up that was free previously. Not rescinding this could potentially harm the power companies as people do not hook up to the power because it is cost prohibitive. We all know the power companies will make up the free line in the long run.

tiasnyder@frontiernet.net
Connie Snyder, Realtor
Sunset Ridge Real Estate a participant
of Cabela's Trophy Properties.
928-735-7316 Home office
928-245-2872 Cell
928-268-7677 E-fax
www.SunsetRidgeRealEstate.com
www.CabelasTrophyProperties.com

7 ACR 1031 Box 9
[REDACTED]er, Arizona 85927

8/3/2009

Joel Lawson

From: Dustin Sanders [dustinhSanders@yahoo.com]

Sent: Wednesday, July 29, 2009 4:22 PM

To: wmar@frontiernet.net

Subject: ACC Public Meeting-Comments

To Whom It May Concern,

Please add me to the list of people requesting that the Arizona Corporation Commission rescind APS Service Schedule 3, Revision No. 10, which allows increased costs in acquiring access to the electric grid to many new customers. This ruling has been detrimental to the values of many vacant parcels of land in our area of the state. I understand the original intention of the ACC, but it has become obvious to me, as a Realtor, that the utility providers are missing out on many potential new customers due to this ruling.

Thank you for your time.

Dustin Sanders

650 S. School Bus Rd.

Eagar, AZ 85925

8/3/2009

Joel Lawson

From: Linda Bohn [lindabohn@realtyxonline.com]

Sent: Wednesday, July 29, 2009 3:46 PM

To: wmar@frontiernet.net

Subject: elctrical service for new customers

Yes, I believe the new electrical customers are grateful and should have 1000 ft at no cost. It builds a good customer service base. I hope that offer is reinstated.

Linda Bohn
Realty Executives White Mountains
2262 Woodland Hills Lane
Pinetop AZ 85935

8/3/2009

Joel Lawson

From: Debra Housel [myarizonarealtor@hotmail.com]
Sent: Wednesday, July 29, 2009 4:24 PM
To: wmar@frontiernet.net
Subject: ACC

July 29, 2009

As a Realtor in a difficult market, I am 100% in favor of the acc resending the change in policy. With the power company not providing some footage for potential customers, makes land ownership a very difficult challenge for many of our buyers and neighbors; and in many cases places the cost of ownership out of reach for the majority.

I sincerely feel that this change would be beneficial for the community of the White Mountains as a whole. Please know that you have our full support.

Sincerely,

Mrs. Debra Housel
2225 W. Despain Avenue
Snowflake, Az 85937
928 386-1138

mobile Hotmail. Optimized for YOUR phone. [Click here.](#)

8/3/2009

Joel Lawson

From: Shary Kopp [mcintees@hotmail.com]
Sent: Wednesday, July 29, 2009 4:54 PM
To: wmar@frontiernet.net
Subject: RE: ACC Public Meeting, Solicit Comments
Importance: High

I Sharon P. Kopp, Realtor for Red, White & Blue Realty in Lakeside, Arizona, believe that ALL of APS Schedule 3 should be rescinded, especially the no-cost 1000 feet extension to residential clients.

If the topic comes up, I would like to see the new practice on completely non-refundable developer costs for bringing power into a new subdivision rescinded as well. This is something that I have been fighting w/ APS & the ACC for over a year now. Navopache doesn't have this practice, but you can't put Navopache in your subdivision if it falls into APS zones.

Sharon P. Kopp - Red, White & Blue Realty
928.368.7668

3340 Country Club
Show Low, AZ 85901

Mailing address:
PO Box 2093
Show Low, AZ 85902

From: wmar@frontiernet.net
To: wmar@frontiernet.net
Subject: ACC Public Meeting, Solicit Comments
Date: Wed, 29 Jul 2009 15:38:33 -0700

The White Mountain Association of REALTORS® is soliciting your comments on the issue of permitting electric utility providers to extend service lines up to 1,000 feet for new customers at no cost. WMAR's desire is to show a solid front regarding this issue and request the ACC rescind this ruling and return to the practice of providing courtesy electric service lines to new accounts up to 1,000 feet. This request for written comments is in conjunction with the Arizona Corporation Commission's Regional Public Hearings, regarding the APS Service Schedule 3, Revision No. 10, which allows increased costs in acquiring access to the electric grid to many new customers, from thousands to tens of thousands of dollars. WMAR's President Elect, Joel Lawson, will attend and give testimony at the Public Hearing in Flagstaff on August 3, 2009 at 6:00 PM.

Attached is the ACC's Public Hearing Notice, along with a letter from Tom Farley, CEO of AAR, to the ACC. All emails submitted by Noon on August 3 will be delivered to Joel Lawson for submission to the ACC. When submitting your comments, be sure to include your name and residential address. Please email to wmar@frontiernet.net."

8/3/2009

Carol Weston, GRI
Coldwell Banker Residential Brokerage
928-587-3779 (cell)
1-888-496-3683 (toll free)
928-535-3656 (office)

Please allow the this utility to be reinstated to work like it use
to. New account to get the first 1,000 feet free.

Carol Weston
1977 Christmas Pine Dr.
Overgaard, Az. 85933